

FISCAL NOTE

SB 1786 – HB 1423

March 29, 2007

SUMMARY OF BILL: Establishes a foster child scholarship program to provide tuition assistance to children in foster care to attend either a public school outside of such student's school district or any non-public school which has notified the Department of Education of its intent to participate. Requires the Comptroller's Office to conduct a performance audit of the program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$49,500/Comptroller

Increase Local Govt. Expenditures* - \$121,800

Other Fiscal Impact – Shift in state BEP funding from one LEA to another LEA or from one LEA to a non-public school. For the LEA losing the foster child, the LEA's revenue would decrease; however this would be offset by a decrease in LEA expenditures. LEA revenues and expenditures would increase for the LEA gaining the foster child. The cost of funds shifted is estimated to be approximately \$2,502,100.

Assumptions:

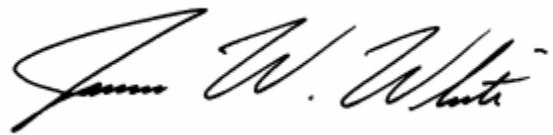
- According to the Department of Children's Services there are an estimated 6,700 foster children in Tennessee public schools.
- Based on voucher programs in other states, the average rate of participation is 1-5 percent.
- For purposes of this estimate, 5% or 335 foster children would participate.
- The average scholarship amount is estimated to be \$7,469 (average per pupil expenditure cost) but could vary from system to system and will be withdrawn from the state school funding for the student's resident district.
- Since the tuition cost at a non-public school is likely to exceed the average cost of educating a student in a public school, this estimate assumes that no funds would be received by a participating school district that exceeds the scholarship amount.

- The expenditure for scholarships is estimated to be \$2,502,100 (335 x \$7,469).
- Transportation which is included costs an average of \$2.02 per student. The annual cost to transport 335 participating students is estimated to be \$121,806 (\$2.02 x 180 day school year x 335 students).
- Any cost to the Department of Education to inform the public annually of the participating schools; to create the application for the program, and to post the application on its website is estimated to be not significant.
- Estimated cost of \$49,500 to the Comptroller's Office to conduct a performance audit of the scholarship program and to report to the Senate and House Education Committees.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director